CANADA - U.$. RELATIONS -- A socialist viewpoint
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Part 1: On Americanization: A reply to Prof. Mathews

The previous issue of the Vanguard *carried a letter from Professor Robin Mathews who with Professor John Steele, also of Carleton University, Ottawa, initiated a protest against the influx of foreign professors (largely U.S.) into Canada and what they call the Americanization of Canadian universities.*

This protest has since roused considerable interest. The Emergency Symposium on the Americanization of Canadian universities held in Montreal in mid-May not only attracted over 100 university teachers and students but fea tured a widely publicized address supporting the main line of the Mathews-Steele protest by Hugh MacLennan, professor of literature at McGill. and Canada's most eminent novelist.

Professor Mathews" first letter was in response to an article on this question appearing in our June 16 issue. With this issue we reproduce another letter from Professor Mathews expressing the desire that we carry the discussion further on several questions related to the Americanization of Canadian universities. Since John Riddell, the author of the original article, is on holidays, we asked Ross Dowson, executive secretary of the League for Socialist Action/Ligue Socialiste Ouvrière, to reply. August 11, 1969

The working people of Canada are indebted to Professors Mathews and Steele and those associated with the Emergency Symposium on the Americanization of Canadian Universities for their penetrating research. The facts that they have unearthed are infuriating the Establishment and even startling those who have for sometime been aware of the tremendous and persistent pressure of American capitalism's cultural values on Canada. Canadian culture, in so far as it exists, is incapable of withstanding this pressure. Only Quebec, with its long tradition, protected by its own language, has proven able to resist. Indian culture, un assimilable by capitalism, has been pushed into tiny, isolated side pockets.

The prevailing ideas in any society are the ideas of the ruling class of that society. Canadian capitalism, as distinct from English and even more so U.S. capitalism, has no culture of its own. It is a transplant, with its roots, while thick, widespread and interlocked, lying close along the surface.

Not only has Canadian capitalism no culture of its own, as distinct from that of U.S. capitalism, but the Canadian capitalist class, its overall interests expressed by its political henchmen of the Liberal and Tory parties, sees its fate as a class inextricably tied to the fate of U.S. capitalism. Hence not only has it no means with which to restrain U.S. Pressures, it has no real interests in doing so.

With U.S. capitalism continuing to expand its influence in the economic structure of Canada it is no wonder that its influence should ever more blatantly find expression in the universities. And not only through professors who come from the U.S., some of whom no doubt are not only ignorant of but also contemptuous of Canadian social questions, but through Canadian born professors whose views often unconsciously correspond to the views of the Canadian ruling class with its concept of junior partnership with the U.S. niling class — views which could be said to denote a "colonialist mentality."

What is to be done about this "Americanization" of Canadian universities?

Professor Mathews would put the question of Canadian sovereignty in the center of the Canadian stage. He points out that should the Vietnam war end, Canadian complicity "in the undesirable foreign policies of the U.S.A. will not be ended until Canadians assert

sovereignty over foreign affairs," and he adds, "Of course Canadians won't do that until they assert sovereignty over internal affairs."

When Professor Mathews says "Canadians" we assume that he means the great majority of the Canadian people, the working people who have little or no say in the ruling of the country. The ruling class, the tiny handful of capitalists who make all the key decisions from the board rooms of the banks, trusts and major corporations, through the entire state apparatus, including Trudeau's cabinet, are Canadians. They haven't sold out, they cannot be said to be carrying out an "American" policy. They are implementing a capitalist policy, a policy framed by the no means inconsequential interests of the Canadian capitalist class both here in Canada and elsewhere where they have extensive imperialist holdings.

For "Canadians" to assert their sovereignty, for the *working people* to assert their sovereignty over this country requires their taking power into their own hands. This will only be done by mobilizing around a program that expresses the needs of the working people and takes them forward in action to win the power — a program that gives nothing to anti-Americanism, nothing to any illusory concepts of national unity but is directed entirely towards uniting the workers as £ class against Canadian capitalism.

Professor Mathews has made a series oi proposals which in our opinion do not serve the aim he sets himself. They take the form of quotas, restrictions on foreign-born (U.S.) professors. The Waterloo report suggests that all major university posts be reserved for Canadians.

What does it mean to place sovereignty in the center of the stage — the university stage — to reverse the trend and to turn the universities into institutions to serve the working class? The universities are run by boards of governors composed of Big Business spokesmen and their hangers-on. It is their policies that result in the downgrading of Canadian studies. The answer on the university stage is student power — student-faculty control of the universities!

The major force advancing in the direction of establishing the rule of the people in this country is the New Democratic Party and the trade union movement which forms its base. Any program that seeks to establish the sovereignty of the Canadian people over their affairs both internal and external must serve to strengthen the organized labor movement and the NDP in the direction of arming them for power and directing them on to the path to workers power.

JProfessor Mathews gave an address to a union body early in July. He was ecstatic in his identification with the assembly. The only problem is that it was the constitutional convention of the Council of Canadian Unions. This is composed of a handful of unions, mostly locals, which have raised the independence of Canadian unions from the international unions, which are the mainstream of Canadian labor, to the level of a principle. They don't in any way represent a militant tendency with a perspective of growth but attempt to sustain themselves by appealing to a hodge-podge of radical and ultra conservative opinion.

In his letter above Professor Mathews interprets Hugh MacLennan's failure to respond to an appeal by his U.S. born colleagues to support the anti-Vietnam war movement as not what it would appear to be, but rather an expression of dissatisfaction that Canadian activists accept U.S. terms of activism — not Canadian terms.

We are not sure as to the meaning of Mathews' reference to McGill. Does he mean the demonstration for turning McGill into a French university? We would assure Professor Mathews that the activists against Canadian complicity in Vietnam were in the forefront of the McGill francais demonstration. In fact life itself has shown that Washington's genocidal war against the people of Vietnam, along with the Black struggle in the U.S., has proven instrumental in awakening ever new strata of Canadian youth who become the vanguard in the Quebec liberation struggle, in the student power actions, in the unions, and the NDP.

What Professor Mathews calls "continentalist" socialism in the Canadian Left is by no means a kind of "sentimentalism." It is internationalism — a much more profound

concept than sentimentalism, than identification or solidarity with struggles of American workers that are parallel to our own struggles. Our internationalism is based on the profound understanding that our struggle can fulfill itself only through the establishment of a Socialist United States of North America. Now that the rulers of America have assumed the responsibility for the security of capitalism and imperialism on a world scale it is obvious that no victory of the working class, not to speak of one in adjoining Can ada, is secure until the monster is destroyed in its own lair, by a successful socialist revolution in the United States of America itself.

With regard to the two sayings that Professor Mathews tacks onto his letter* the latter surely refers to the relations between the two capitalist states and those who assume the responsibility to defend the interests of their respective ruling classes. The political representatives of the Canadian capitalist class do not require our advice as to how to defend their interests. We can rest assured that their criminal support of U.S. aggression in Vietnam, their support of NATO and NORAD, does not go unrewarded in profitable contracts of various kinds.

The first saying, which dismisses the United States of America with its 200 million population as one solid lump of reaction, is not only the stock-in-trade of the most, crude anti-Americanism, but projects a perspective of utter pessimism and defeat. Of course there is that qualification that a "real" U.S. left doesn't exist. There are co-thinkers of the LSA/LSO in the U.S., the Socialist Workers Party and the Young Socialist Alliance, not to mention other revolutionary tendencies, but of course they do not yet encompass in their ranks great masses any more than does the "real" Canadian left.

Yesterday, perhaps, on the grounds of empirical observations, there was some basis for questioning the possibilities in the U.S. But today, "with the Black revolt, the rise in student radicalism (of which the Harris Poll shows "the potential . . . has not begun to be tapped,") and the anti-Vietnam war movement, which continues to rise to new heights and is now reaching right into the ranks of the U.S. armed forces, there is absolutely no grounds for such cynicism.

To dismiss the U.S. left, to dismiss the U.S. socialist revolution, is to see American capitalism, the powerhouse of world wide reaction, as remaining entrenched in its position of power. It is in reality to despair of the future of all mankind.

** I will leave you with two sayings. "There is but one real truth to grasp about the U.S. Left — the real U.S. Left — and that is that it doesn't exist." "Canada-U.S. relations are defined by the good old fashioned principle of give and take. Canada gives. The U.S. takes."* Robin Mathews

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Part 2: LSA/LSO Statement

The following document was adopted by the 1968 convention of the League for Socialist Action/Ligue Socialiste Ouvrière. It deals with many of the questions now being discussed in the growing debate over U.S. control of the Canadian economy, culture and political life. Presenting as it does the revolutionary socialist position on US-Canadian relations, we believe it is of particular relevance to the debate on "Canadian nationalism" within the New Democratic Party.

Relations between Canada and the United States have always been a dominant factor in Canadian politics. The British Conquest was largely motivated by the determination of the British Crown to build a military bastion on this side of the Atlantic from which it

hoped to defeat the revolutionary New England states. Confederation was primarily carried through to overcome the immediate threat of the secession of the West to the United States or its conquest by the United States.

Today, along with the longstanding and now built-in deficit in trade relations, a decisive factor in Canada-US. relations has become the extent of U.S. capital investment in the Canadian economy. It is greater than the combined total of United States investment in all of Latin America and arrogates to itself political power appropriate to such a massive investment.

Coupled with this direct influence is the fact that U.S. capitalism, the last firm bulwark of world capitalism, has had thrust upon it and has seized the responsibility of sustaining capitalism as a system on an international scale -- Canadian capitalism included.

Junior partner

The rising forces of the world socialist revolution, together with the declining position of all other capitalist powers and their weak position, both in absolute terms and relative to the U.S. colossus -their deteriorating position in world trade, their inability to sustain an effective military force in the era of super-costly intercontinental ballistic missiles and nuclear devices to promote and defend their own particular interests-has forced them to become, if not completely subservient, reluctant, but nonetheless compliant tools, or at best junior partners of Wall Street and its imperialist interests. This is true in the case of the biggest and most solvent capitalist powers including those where U.S. investment plays little direct role in their economy.

The dynamic of U.S. capitalism and the world situation has overcome the economically artificial division of the northern sector of the American continent by an east to west border, not by violating this border or by Canada's absorption into the U.S. as the 51st state, but through trade and investment. In fact, it serves the interests'bf U.S. capitalism to maintain the myth of Canadian "sovereignty and independence."

The Canadian capitalist class is a powerful, tightly integrated, highly conscious and cohesive force, firmly in control of the state apparatus which it has constructed and shaped to serve its interests. The position of the Canadian capitalist class in control of the Canadian state apparatus is not challenged by U.S. capitalist interests.

But while in control of the state, the Canadian capitalist class is by no means in control of the Canadian economy -- in fact it is less in control than the rulers of any other advanced capitalist country in the world.

Who rules Canada?

The facts of the colossal weight of U.S. capital investment are unchallengeable. Its scope, its myriad points of contact and influence, no doubt exert a decisive influence on Canadian political life (as well as on its social and cultural life) and Canada's role in the world conflict between capitalism and the forces of the international socialist revolution.

Does U.S. capital dominate the Canadian economy through control of what might be

described as its strategic or decisive sectors? This question has been posed in an attempt to settle the somewhat formalistic question -- Does the Canadian capitalist class actually rule Canada or does the U.S. capitalist class in effect own and rule Canada?

The strategic position of U.S. capital investment in relationship to what might be called strictly Canadian capital and their relative roles in the determination of Canadian affairs is not only difficult to assess but as we will see is largely irrelevant. If at other times there were conflicting antagonistic interests which caused the Canadian capitalist class to pursue or attempt to pursue policies that took it into real conflict with the U.S. ruling class, this is no longer the situation. It is now apparent that the Canadian capitalist class has arrived at a mutually agreeable relationship with U.S. capital in their common exploitation of the work force of this country and its vast natural resources. The rationalization of the auto industry on a continental basis is taking place with particular and carefully worked out adjustments as to the overall impact on the Canadian-U.S. economy.

Special role

Far from seeking to conquer Canadian capitalism and to assimilate Canada into the United States, the American ruling class has sensitively developed a special role for Canada in their global imperialist strategy.

Washington has made special adjustments and concessions in order to keep the Canadian economy on an even keel. It has exempted U.S. investment in Canada from complying to special regulations that would have created difficulties for the Canadian economy. It has developed a working relationship which places the preservation of Canadian imperialist investments-many of which are undoubted fronts for U.S. imperialist interests-under the protective wing of the rapacious eagle. It has even worked out plans whereby it could hope to effectively quell revolutionary developments in Canada which might imperil U.S.-Canadian capitalist interests -- Operation Camelot. *(Document footnote: Project Camelot was a Pentagon study of the revolutionary potential of certain Latin American countries, and included Quebec).*

In return for these and other services, the Canadian bourgeoisie have defended all down the line the unpopular U.S. imperialist assault against the Vietnamese people, remained committed to the costly and completely militarily outmoded alliances of NATO and NORAD, and suffered the ignominy of U.S.-controlled corporations flagrantly violating Canadian law.

Thus in reality the relationship of the Canadian capitalist class vis-à-vis the U.S. capitalist class can best be described as that of partner -- junior partner.

Radicalization

Ever-widening layers of the Canadian working class and petty bourgeoisie are developing an understanding and sympathy for the popular struggles developing across the globe -- and they see Washington as the ruthless and bloody subverter of these struggles. An increasing number question the whole rationale of the cold war and its pacts and alliances such as NATO and NORAD -- they are beginning to see the United States,

and not the USSR and the workers states, as the aggressive military force that threatens mankind with a world war and possible nuclear destruction.

They see the U.S. as a violent society, a racist society, and a huckster society, reflected in the TV, radio programs, the books and the magazines that flood across the border. An increasing number are developing a concern about the flagrant violation of the law by U.S.-based corporations in this country which leads to loss of trade and, of course, jobs for Canadian workers.

These above tendencies have been designated in some circles as nationalist -- Canadian nationalism. The term is a misnomer, causing confusion rather than giving insight into this phenomenon, its dynamics and direction. More correctly, it should be designated as an elemental anti-imperialist sentiment -- developing towards an anti-capitalist consciousness. Because it is essentially anti-imperialist, it finds no basis of support in any sector of the Canadian capitalist class and its spokesmen, who defend U.S. imperialism not only out of a natural affinity but with a clear understanding that their fate is inextricably tied to that of the U.S. ruling class.

Nationalism in advanced capitalist countries such as Canada has traditionally been a tool of the ruling class. In 1939 the banner of national unity was raised in order to gear the nation, specifically the working class, to sacrifice their lives in an imperialist world war. It is now being raised to mobilize English-speaking Canada against the legitimate struggle of the Québécois for their national rights. This bourgeois nationalism stands in the way of a class differentiation in society -- in particular, the development of class consciousness amongst the workers and, where the workers are already organized along class lines, is designed to fracture them.

Apologists for U.S. rulers

What in common with this, has the phenomenon which we can see developing across the country over the question of Canada-U.S. relations?

Far from promoting this "nationalism" the Canadian ruling class, their parties and their spokesmen, stand firmly united against it. The bourgeoisie show such unshakeable and impervious unity in their acquiesence before U.S. imperialism and its domination over Canadian internal and external affairs that they expose themselves more and more as apologists and lickspittles for the U.S. ruling class. Thus we have Prime Minister Trudeau publicly declaring that Canada can only have the relationship to the U.S. that Poland has as a satellite to the USSR, and his various ministers stating that Canada must sell military supplies for use by the U.S. in its genocidal aggression in Vietnam or suffer the gravest economic dislocation -- unemployment, etc., etc.

This brand of "nationalism," far from uniting the nation behind the bourgeoisie, far from smearing over class lines, is tending to unite the overwhelming majority of all other classes and sub-classes against the bourgeoisie. It is discrediting the traditional parties of the bourgeoisie as not representing any interest that could be said to be Canadian, as being in essence agents of another power -- a foreign power, U.S. imperialism -- whose role is increasingly becoming more clear and more hated and more feared.

In fact the traditional parties are discrediting not only themselves but the very state institutions that have been erected to cover over the real power structure. They are saying that these institutions in reality have no power that can prevail over the economic power of the U.S. ruling class.

In admitting that they are party to Canada's internal and external policy being made in Washington and Wall Street, the bourgeois parties are even performing the salutary task of undermining the parliamentary illusions of the Canadian people. They are underscoring the need for the working class to take the power and to lay down new economic foundations from which new social relations will form.

Demagogy

The bourgeoisie, of course, have not ignored this sentiment. Tory leader Diefenbaker gave it a high priority in his 1963 campaign. Although he never moved off the plain of nationalist demagogy in his high-powered bid to retain office, this lost him the confidence of every important sector of the bourgeoisie. The Liberals assigned Walter Gordon the task of encompassing this anti-imperialism, to which they gave a nationalist interpretation, within the Liberal Party, and even struck off a commission under Melville Watkins to investigate foreign investment. Both Gordon and the Watkins report have been pigeon-holed.

It was this "betrayal of Canadian independence" that prompted the editors of *Canadian Dimension,* an important journal of liberal petty bourgeois opinion with considerable influence inNDP intellectual circles, to issue an appeal in 1967. It urged that the "long-term" socialist solution be put on ice in order to realize the primary task of establishing Canadian independence through a new political formation that would be "politically non-partisan and would cut across racial, regional and class lines."

The response to *Canadian Dimension's* strictly nationalist appeal -- reportedly, only four elderly Tories on the Prairies wrote in - is extremely revealing. Canadian Dimension's appeal broke up on the reality that the sentiments to which it attempted to appeal were not nationalist but essentially anti-imperialist and therefore class sentiments in terms of Canadian political life. Nor did the Communist Party get anywhere with its crudely anti-American supra-class appeal for the construction of an anti-monopoly peoples' coalition that would encompass in its ranks those elements of the bourgeoisie who would put the interests of the nation before profits. The same goes for the Progressive Workers Movement (Maoist). It's more radical-sounding appeal proved unable to raise the process even a millimeter higher onto the first stage of its projected national liberation struggle that would encompass sections of the bourgeoisie.

Radical sentiment

This anti-imperialist sentiment is an important fact of Canadian political and social life. To accept or pin the label nationalist on it is not only to designate it incorrectly. It leads to a dismissal, if not an opposition to it. On the contrary, we must recognize the essentially radical character of this anti-imperialist sentiment and develop it.

As U.S. imperialism is driven to ever more desperate, more openly vicious lengths in its role as defender of capitalism everywhere, opposition will continue to mount. In country after country this will sharpen working class opposition to the capitalist class who identify their fate with the fate of U.S. imperialism. The working class movements will increasingly bring to the fore demands for an independent policy of opposition to U.S. imperialism. The demand for an independent foreign policy for Canada-one of solidarity with the colonial peoples' freedom struggle and trade and aid with Cuba, China and the other workers states-will become more popular.

To recognize this anti-US. imperialism and develop it is to concede nothing at all to any form of anti-American chauvinism. On the contrary the most effective anti-imperialist activists here have found tremendous forces right inside the U.S. with which to identify and link up their struggle. The Canadian anti-war movement -has developed its most successful actions in solidarity with the much more massive anti-Vietnam war actions in the U.S. In the process it has deepened the understanding of the Canadian workers as to the character of their own bourgeoisie through its effective campaigns against the Canadian government's complicity with the U.S. in the Vietnam war.

Socialist position

It would be a tragic error to get hung up on broad abstract formulas and thus fail to make a correct assessment of the actual situation The revolutionary socialists have successfully evaded this sectarian danger. We did not oppose the moves towards setting up Canadian unions separate, independent and apart from the so-called international unions on some abstract principle that we are internationalist and revolutionary and this was nationalist and hence reactionary. We considered that the support this had among militants was largely a reaction against the undemocratic manipulations of the trade union bureaucracy. We expressed our sympathy with this, and to those who would listen we cautioned that bureaucracy was endemic to reformist unions in our epoch and cannot be escaped merely by setting up an autonomous Canadian union (see "*Power and Dilemma of the Trade Unions"* in *Workers' Vanguard*, April May and July 1967). We also attempted to make an overall evaluation of the situation and concluded that there was really no significant trend in this direction, that these forces were not viable and were generally composed of conservative elements.

Nor are we indifferent to the increasing economic penetration of US. capital into Canada, its increasing control of the economy and what goes with that -- its determination of Canada's role in world affairs. All the less can we be indifferent in that the Canadian working class is organized in a mass reformist party and we, aspiring to establish ourselves as its vanguard, are seriously projecting the possibility of anNDP government. The concept that U.S. penetration besides being an inevitable process, is a progressive phenomenon on the way to shaping up an integrated North American economy that would provide the foundation for a Socialist United States of America, is a hangover from pre-Leninist concepts of imperialism. Such "long-sightedness" would bring us down in the quick-sands immediately in front of us.

The Canadian economy is not only being grossly distorted, serving as a low wage sector of the U.S. economy, but it is an integral part of the latter's imperialist war machine directed at the rest of mankind which it threatens with total destruction.

Public ownership

We have advocated the public ownership of the basic means of production so that the economy can be planned and production geared to use. This is our general propaganda line -- we have not worked out any list of priorities and in fact have presented this viewpoint in general around issues of the day. In response to the curtailments of railway services and attendant layoffs we have called for the public ownership of the CPR and its fusion with the CNR. It was a matter of indifference whether the CPR was or is now basically U.S.-owned. With the closure of the Dosco coal mines we urged their nationalization along with the Sydney steel mills, and their operation in an integrated Maritimes development plan.

The issue of economic domination is already being debated, and answers are being projected. There is the proposal to "open up to Canadian stockholders, buy into American corporations," the "buy Canada back" proposition; and the proposal to establish a supplementary public sector in order to develop a more specialized competitive economy. Since U.S. branch plants include many of the key industries, there can be no serious talk of public ownership and planning without nationalization of U.S. capital interests. Without making public ownership of U.S. interests a general demand, as U.S. interests violate Canadian law by refusing to accept orders from Cuba and China, etc., the question of their nationalization increasingly comes to the fore. This is not the separating out of "bad" capitalists from "good" capitalists for "punishment" by nationalization, but popularizing the whole concept from necessity. The specific action is posed in defensive terms, which is always a good stance for the revolutionary deed.

A clear understanding of the progressive implications of this rising anti-imperialist sentiment is necessary so that we can meet the new challenges that it will pose before us -- particularly in so far as, thanks to our orientation to the New Democratic Party, we are today not restricted to academic educational work but are formulating policy for forces in a movement that is speaking to the masses.

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Part 3: Watkins Report filed in Government's Morgue

Now that the Watkins report on foreign investment in Canada has been handed down, broader layers of the Canadian people than ever before have the ready material to understand the nature of the Canadian economy and to gain further insight into the crucial question of what to do so that we can shape our own destiny.

One of the glaring facts coming out of the report by the eight economists headed by Melville Watkins, assigned by the Liberal government to investigate foreign investment, is that more key industries in Canada are under foreign control (predominantly American) than in any other developed country in the world.

General Motors — which hires 25,000 Canadian employees and whose decisions relating to them are crucial to communities across the country — owes allegiance to a U.S. corporate entity that is about a third the size of the entire Canadian economy. Since, like many other corporations, both U.S. and Canadian, it is registered as a private firm, the amount of profit it makes in Canada, the report says, is unknown. Shares are not avail able in Canada to even those few who can afford them.

The report records in some de tail one of the many ways that the U.S. ruling class and its state apparatus Violates Canadian sovereignty. This is through the enforcement of the U.S. Trading with the Enemy Act of 1917. Compliance of U.S. subsidiaries, in Canada with this act results in the blocking of many opportunities for trade (and jobs) with Cuba and China.

No one even superficially acquainted with the report can have any illusions that Canadian parliament, rather than the corporation board room, controls this country. And here, We are not speaking of board rooms on St. James and Bay Street — but board rooms twice re moved — on Wall Street and their political power-house,. Washington. Whole sectors of the economy, including many of the most strategic, are controlled by foreign capital. And these interests are so power ful that to a large degree it is they who determine not only Canada's national but its foreign policy.

The various actions taken by Ottawa with the declared aim of de fending Canadian sovereignty have failed miserably. The present anti-combines law is almost useless, according to the report — which is not surprising since it has proven to have been totally ineffective in dealing with completely Canadian-owned corporations. The guidelines for "good corporate behaviour" drawn up by Trade Minister Winters are dismissed as irrelevant, in words that cannot hide the fact that in such matters' corporations consider that what is good for their profit sheet is good behaviour.

Where there is Canadian minority ownership in a U.S.-controlled firm, neither exports, imports, nor spend ing' on research, were any better. The suggestion is clear — the inter ests of U.S. and Canadian capital prove to be identical in this respect.

It isn't that the Canadian capital ist class is in a weak strategic position and unable to do anything about the overwhelming U.S. influence if it was in its interests to do so. Its capital is neither widely dispersed nor relegated to the fringes of the economy. As John Porter notes in his study Vertical Mosaic, it is a powerful tightly integrated and highly conscious force. It is firmly in control of the state apparatus which it has constructed and developed over the years until it has become "a finely polished tool to serve its interests.

Has it betrayed "Canadian sovereignty"? Sold out what the report calls "the national interest"? In so far as they cannot sell out what for them does not exist, other than as a demagogic phrase, the Canadian capitalist class has not sold out the "national interest." As far as the interests of the people who do the necessary work in this country are concerned, capital owes no loyalty to them whatever. The capitalists' loyalty is to capital. Is the Canadian economy short of capital, thus opening the way for continued U.S. penetration of the country? What ever the case, Canadian capital goes elsewhere — where it is most profit able. It has a 3.8 billion dollar stake in U.S. manufacturing, not to men tion its massive investments in Latin America — and Canadian mutual funds have been pouring into the U.S. to buy up U.S. securities *(emphasis by the Web Ed.)*

If there were any doubt left that the defence of the interests of the Canadian people lies in their efforts to build their own party, the NDP, and to take the power in their own hands, examine how Ottawa handled the Watkins report and the modest proposals that came out of it! Ac cording to the Toronto *Star's* Ottawa correspondent, Peter Newman, an opposition in the cabinet headed by Finance Minister Sharp and Trade Minister Winters wanted to pigeonhole it entirely. It only appeared with an unprecedented disclaimer on the cover.

Subsidies

As for the solutions, the *Financial Post's* Ottawa correspondent Clive Baxter states that "only one of the three new agencies proposed . . . is likely to be established," and even it, the Canada Development Corporation, "may not make it." Even a full blown CDC would do next to nothing to undercut U.S. capital's decision-making powers over Canada. Its purpose, according to *FP*, would be "to act as a financial catalyst, bring groups together to underwrite nationally desirable projects" — to fill in, with the taxpayers' money, areas where "free enterprise" capital is not pre pared to go.

Thus we can see that the sentiments of those Canadians who, the report notes, are uneasy "as to the continuing viability of Canada as an independent state" — sentiments somewhat confusingly called nationalist — are not reactionary, but have every possibility of being won to a working class viewpoint.

Insofar as Canada can become "a sovereign state" it can only do so by becoming a workers state. The NDP projects that concept on a Canada-wide basis.

Public Ownership

But as long as the leadership of the NDP prove able to keep the party's program confined within the framework of the "cold war;" they gravely cripple its development. Ultimately, what alternative is there to public ownership of U.S. capital in this country that continues to violate the interests of the Canadian people? Not only must the party program speak out loud and clear against Washington's counter revolutionary aggression in Vietnam but it must campaign for the withdrawal of Canada from the U-S.-dominated

aggressive military alliances of NATO and NORAD which promise only more assaults on popular freedom movements elsewhere.

Of course public ownership of foreign capital that violates the interests of the working people opens up the question of public ownership of Canadian capital that does likewise. And to vigorously oppose U.S. policy in Vietnam requires active opposition to Ottawa's complicity there and its policies right across the globe. March 4, 1968

Part 4: NDP Leader Taylor projects no real alternatives

The leadership of the New Democratic Party has failed to respond to the challenge posed by the increasing domination of U.S. capitalism over Canadian economic, political and cultural affairs, to the reaction of wide layers of the population that is called, somewhat confusingly, "Canadian nationalism."

In much the same way they have expressed only a token opposition to Washington's murderous aggression against the people of Vietnam and the Liberal government's: complicity. Their silence on both crucial questions has only served to focus attention on Privy Council President Walter Gordon's cheap demagogic forays from his entrenched position in the Liberal cabinet.

An article by NDP federal vice president Charles Taylor, entitled "The Alternative to Paralytic Continentalism," appearing in the January 1967 *NDP News* is a notable exception. "Only a party of the 'Left," he declares, "can pose the real issue and mobilize support for a creative alternative" to what he calls Canadian Business leadership's policy of greater continental integration of the Canadian economy with that of the U.S. "This is the historical vocation of the New Democratic Party as Canada enters its second century."

Taylor dismisses the Liberal, Tory, and Social Credit parties as forces that would in any way identify with a "national" policy, i.e., one that would defend the interests of the great majority of the Cana dian people from submergence un der the juggernaught of American capitalism. He sees these parties as political instruments of the "busi ness establishments," already com mitted to a policy of "greater and greater continental integration." It is "under this leadership," he notes, "that Canada has come to where it is."

Having declared that the labor party formation, the New Democratic Party, has the historical vocation of posing the real issue and mobilizing support for a "creative alternative," Taylor projects what is apparently the NDP leadership's version of the alternative.

The weight in the Canadian economy of capital owned and con trolled by U.S. investors. ($21.4 billion in 1964), the extent of actual corporate ownership through majority control, and the strategic position of this investment in the economy (60% of

manufacturing, 74% of petroleum and natural gas and 59% of mining and smelting), are usually considered to be highly relevant to a discussion of "Canadian independence.'" And correctly so. Taylor, however, dismisses both the amount of U.S. capital and the extent of its control.

Both are indeed irrelevant in so far as the Canadian capitalist class, who share the exploitation of Canadian natural resources and her work force with U.S. capital, see eye to eye with one another. Where there is conflict, Washington, which has assigned Canada a special role in its overall responsibility to sustain capitalist interests on a world scale, has shown a sensitive disposition to adjust to or to compensate any injured interests.

But Taylor, whose contribution is devoid of any class analysis, dis misses the whole question of owner ship and control on totally different grounds.

In passing he makes an apology for Britain's Wilson government "forced to toe the American line over Vietnam." It's "not because of a high degree of American owner ship of British industry," he writes *(and not because Wilson has assumed the role of caretaker of the drastically weakened British capitalist interests whose fate is inter locked with world and particularly U.S. capital interests—R.D.)* "but because of the weakness of the British trading position and the £." As if a weakness of trading position has nothing to do with the declining weight of British ownership (capitalism) in relation to U.S. ownership on an international scale.

In the Taylor schema ownership of capital or means of production — either foreign or Canadian — is no issue at all. The nub of the problem, according to him, is the tendency "to develop in Canada a 'branch plant economy'" — a structure which "inhibits us from striking out in new fields."

Taylor seeks to give a new dynamic to the Canadian economy, the Canadian *capitalist* economy, by developing a public sector which will initiate "a more specialized competitive economy" and in which "private and foreign capital would be encouraged to collaborate."

In order to sustain this position Taylor prettifies the position of Sweden, and even Japan, and presents a completely distorted picture of the Canadian economy.

He depicts. Sweden and Japan as having, through "achieving inter national pre-eminence in a certain limited number of fields," some unique economic independence, strength and dynamism. Whereas Canada, "developing like a miniature replica of the U.S.," is economically dependent on the U.S. "as a trading partner and as a source of capital."

The NDP Socialist Caucus pamphlet *The Myth of Swedish Socialism* (Box 872, Station F, Tor onto—15 cents), dispels not only the socialist myth but any and all concepts that in any appreciable way Sweden has removed itself from the pressure of the world market, over which U.S. capitalism holds sway.

The main character of the Canadian economy is not that it is fractured, with a multiplicity of pro duct ig units imposed by U.S. corporations on the same pattern of the much larger U.S. market. The Canadian economic structure is highly monopolized, with the key sectors not duplicating but supplementing the needs of the U.S. market. While this makes the Canadian economy particularly sensitive to the vagaries of the U.S. economy, it also places it in a powerful bargaining position. At any rate, to be tied to the U.S. economy is not the worst fate if one doesn't see any perspective for socialism. If capitalism continues to function it is U.S. capitalism and not British, German, French or any of the trade blocs, that is the most stable, dynamic and powerful.

Thus Taylor's program to counter Canada's cultural, economic and political subjection to U.S. capitalism is completely symmetrical with the NDP leadership's program to counter the domination of Canadian capitalism over the lives of the Canadian people — not public owner ship of the basic means of production but structural adjustments to capitalism in an attempt to make it more tolerable.

The powerful control that U.S. capitalism exerts over Canada, and the harmonious adjustment of Can adian capitalism to it, shows that it is capitalism itself — undifferentiated capitalism — that is the problem. That is why only the NDP, not the present leadership but the party as a political instrument of organized labor, can "pose the real issue."
February 19, 1968

Part 5: Mr. Kierans and Mr. Sharpe -- Official Pleaders

When Liberal Party leadership aspirant Eric Kierans exclaims that he hopes "that never again will a Canadian government be forced, as happened last weekend, to telephone Washington and ask that American subsidiaries reduce their' withdrawal of funds from our country," he does more than score an easy point against his opposition. It was Finance Min ister Mitchell Sharp who, on behalf of the Liberal government, had to plead to Washington to make this concession in its declaration to U.S. companies with foreign investments to repatriate their profits so that pres sure would be eased off the dollar.

Kierans is giving voice to the feel ing of dissatisfaction in wide layers of the population over Canada's cultural, economic and political subjection to those who rule the United States; to the "nationalism" that exists across the country from an increasing awareness of U.S. domination of Canada.

The publication within the next month of the long awaited report on the nature and consequences of foreign (U.S.) ownership of Canadian industry', supervised by Privy Council President Walter Gordon, who achieved a certain notoriety with his suggestion that Canada be bought back, from the U.S., is certain to give the Liberals the type of issue

that they would prefer to talk about during the leadership contest — "Canadian nationalism." This is a much safer issue, certainly not the divisive issue that is presented by Quebec and the struggle by the Québécois for their national rights.

Another matter is to what use this Canadian "nationalism" will be put by the Liberal and Tory parties of Big Business, but there is certainly nothing reactionary in itself in the widening feeling of dissatisfaction about Canadian subservience to the United States — quite the contrary.

It would be a mistake for the political movement of the working class to fail to take cognizance of it. And just as bad, were it to get de railed by it.

Appeal to Nationalists

It was the latter danger that was reflected in the Open Letter to Canadian Nationalists which appeared in the special *Canadian Dimensions* May-June issue. The letter, signed by three editors of *CD.,* called for a new political formation that would be "politically nonpartisan and would cross racial, regional and class lines." The authors, while calling them selves "unregenerate socialists," urged all Canadians to "temporarily sink their differences."

As to be expected, this appeal, directed to the left — for of course *CD* has no influence whatsoever in the ruling class — came to nothing. Contrary to all the hopes that they will do so, neither the capitalist class nor its political parties, nor' any seri ous part of them has shown the slightest sign of thinking of, let alone launching, a new party, an "alliance" or a "movement" for Canadian "in dependence."

The most that has surfaced so far is Walter Gordon. After blowing off he quickly submerged again into the Liberal cabinet. He went no further than to make a few proposals such as that one quarter of the directors of foreign companies should be Canadian citizens and one quarter of their stocks should be held by Canadian investors. No one could expect much from U.S. corporations with a few Canadian citizens on their board when entire governments of Canadian citizens have acquiesed to arrogant intervention by the United States in Canadian affairs. More recently Gordon became an advocate of national trade unions. He urged autoworkers not to fall for the plot of their U.S. leaderships that they should have wage parity with U.S. autoworkers.

Interests Tied

Canadian ruling circles have accepted the relations of an inferior to the U.S. ruling class because, far from being challenged, their rule is reinforced by U.S. capitalist interests. They see their present and their future inextricably tied to that of the United States.

Not only do "Canadian national ists" feel uneasy about the legitimate aspirations of the Quebec nation which tend to fracture "national unity" — they are inclined to over look the fact that the Canadian capitalist class are imperialist, with considerable holdings in

the West Indies, Mexico, Brazil and elsewhere, which Mr. Sharp, Mr. Winters and Mr. Gordon can never forget, if only from their direct personal experiences. What is there to defend these interests from the threat of revolution other than U.S. military might?

Ottawa has tolerated the ignominy of having such U.S. laws as the Trading With the Enemy Act en forced on companies operating in Canada, because from their own class viewpoint they agree with the aim of the act (embargo against Cuba and China). Whatever Cana dian interests might suffer from sustaining the U.S.-imposed embargo is rendered more than tolerable. For instance, under the NORAD agreements, Washington, in the face of protests from its own business circles, cut Canadian industry into a substantial share of the U.S. arms program.

Source of Protest

The protest against U.S. domination of Canadian economic, social and cultural life comes not from Canada's ruling circles or any substantial part of them. They have swallowed their pride for their over all class interests. It comes primarily from the working class and middle class.

The ruling class are confronted by an increasingly more powerful working class, organized on the economic front over one and a half million strong against undifferentiated capital — Canadian or foreign; and on the political front, in the NDP, challenging them for the political power. Thus Canada is not a unity but is already firmly divided along class lines.

Not only does this fact mitigate against the development of any supra-class formation organized in the interests of the nation, but it places the question of the defense, of the interests, of the vast majority of the Canadian people, not outside, but squarely inside the New Democratic Party.

As NDP federal Vice-President Charles Taylor says; "Only a party of the Left can pose the real issue and mobilize support for a creative alternative." In our next issue we will analyze Taylor's viewpoint which is widely supported in leading NDP circles.
February 5, 1968

Part 6: Canadian Dimension's Unanswered Letter

CANADIAN DIMENSION — ***"an independent journal of fact and opinion ... not affiliated with any political party or organization."***
Published six times a year, 50 cents a copy. Box 1413, Winnipeg, Manitoba.

The front and back cover of Vol. 4 No. 4 of this magazine, appropriately emblazoned with a maple leaf, is taken up entirely with "An Open Letter to Canadian Nationalists," signed by three of its editorial board: Gad Horowitz, G. W. Gonick and G. Davis Sheps.

The letter is a call for the formation of a movement for Canadian independence. Strange to say it is not addressed to French-Canadian nationalists — a very real social force in Canadian politics — quite the contrary. If it is addressed to anyone at all it seems to us that it is directed to socialists, to convince them to change course, to take off in a new direction.

"The common minimum pro gram" . . . "acceptable to all nationalists," which the authors talk about, and upon which the movement is presumably to be based, is astonishingly vague. Perhaps this is due to the task this program is to perform — to get underway an alliance that "would cross racial, regional and class lines." At any rate not even one plank of the economic, category is presented. Only the aim is sketched in — "a battery of specific legislative measures . . . . to hold back the tide" of integration with the U.S. economy. When it comes to the other one of the two categories, the cultural one — the program calls merely for a subsidization of Canadian cultural production . . ." everything that can be published, performed, or broadcast."

Perhaps the extreme poverty of the program is because there is no real basis for such a movement'— the visualized independence movement* — in this country. It is true of course that American capitalist society bears down with enormous force on the Canadian economy and on Canadian cultural life — and that Ottawa, under the Liberals, and the Tories before that, cravenly adapts itself to the economic and political directives of the American ruling class. *(*i.e., a multi-class purely 'nationalist' movement outside existing the Canadian labor-based party, the NDP -- Web Ed.)*

But Canada has a developed capitalist economy and a mature and conscious capitalist class that rules this country in its interests, within the context of world reality. On the other hand the Canadian working class has developed its own organizations, both economic and politi cal, which have been formed in combat with the Canadian capitalist class and, if only semi-consciously at this stage, are moving in the direction of taking power in their own name.

Why is it that this call that starts off so stridently, ends up so pitifully. The sad fact of the matter, one of the authors admits in a supplementary article — there is no doctrine of Canadian nationalism. "There is no unique set of Canadian values which is to be preserved from corruption by outsiders and/or imposed on them by forceful persuasion." (Horowitz) Dare we say it — there is no class, and ideology is always an instrument of class interests, there i s no class whose interests a Pan-Canadian nationalism reflects.

In reality, in so far as it is deliverable, the *Canadian Dimension* letter is addressed to the socialists. For it is clear that the authors, when you get down to it, see the socialists as having the task of getting this alliance underway.

Gonick makes this quite explicit in another article in the magazine. He sees a movement for Canadian independence as the only hope of making socialism once again relevant and capable of getting a hear ing in Canada. Horowitz tells social ists to put aside their ideology as it is only a "long run" solution — the rising tide of

continentalism, he warns, demands a common front of all political parties and all ideological persuasion to halt it.

Underlying their appeal is their profound pessimism about the prospects of socialism, both in Canada and the United States. On the one hand Horowitz recognizes the counter revolutionary power of American capitalism, and he fears absorption of Canada by this "citadel of world capitalism." On the other he writes off the forces for socialist revolution in America. We think that this is somewhat premature, to say the least, after witnessing the gigantic social explosions coming out of the Black Ghettos that shook the major metropoles of the U.S. last month.

In this open letter that attempts to conjure up a Pan-Canadian na-tionalist movement not a word ap pears about the very real national ism that permeates a major part of Canada's population — the Québécois. Horowitz shows in another article in the magazine that he is not unaware of the contradictory aspects of nationalism at this stage of history. He concedes that socialism is essentially internationalist, but informs some opponents of the view expressed in the open letter that nationalism as such is not "harm ful" — the nationalism of colonized people seeking self-determination," he quite correctly notes, with an un explained qualification of "nearly", is "always justifiable."

So he overlooks the revolutionary potential of black nationalism in the United States. But not nationalism in Quebec. This nationalism, which surely is that of a colonized people seeking self determination, he not only shows no sympathy for, but at tacks in the same crude way as the Tories, as threatening "to tear the country apart."

Possibly this is altogether too trite for the editors of *Canadian Dimension*, but the simple truth of the matter is that there can be no Canadian independence under capitalism. Canada can only be independent when the working class take the power and control the economy of this country — then it will not be nationalist but internationalist.

Mid-August, 1967 by R.D.